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ABSTRACT

Work and adjustment to work are vital components of a smoothly functioning society. Currently, a growing imbalance between the collective level of educational attainment of American workers and the skill/knowledge requirements of existing jobs has created the potential for widespread social and economic problems in this country. Overeducation leads to job dissatisfaction, decreasing productivity, and, ultimately, to a crisis in public confidence. To counter the threat the current labor situation poses, several actions by the government and private sector may be appropriate. Business and educational organizations must adopt human relations policies responsive to the expectations of a well-educated labor force. The private sector should implement job rotation and job enrichment strategies, and establish participatory management. The government, which employs a high percentage of college graduates, should increase its total personnel. Alternatively, the government could curtail the supply of college graduates entering the labor force by raising college costs. Regardless of strategy employed, attention to the problems inherent in overeducation must be incorporated into public policy formation. (LP)

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OVEREDUCATED AMERICANS IN THE WORK FORCE

by
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SW C/S 3/5

Overview:

Is this really possible ? After one reads the National Commission on Excellence report, "A Nation At Risk", dated 26 April 1983, it would appear that recent on-coming generations of American youth have been ill-prepared, both in their basic skills abilities, (reading; writing; arithmetic) and their more general knowledge; i.e. the physical, natural, and social sciences; mathematics; the humanities. In the words of this scathing report, the nation's schools face "a rising tide of mediocrity".

Excellence in education will help prepare students to become more valuable human being; more creative members of society; more economically productive members of the nation. Such excellence, however, does not mean overeducation, for the latter leads to discrepencies and imbalances, between people-characteristics and job-characteristics.

Unfortunately, there is a growing imbalance between the collective educational level of attainment of American workers and the skills/knowledge requirements of exisiting jobs in the economy. More workers possess more skills; more knowledge; more education; than needed for the competent performance of the collective tasks and responsibilities within existing kinds of available jobs. In a very real sense, the rising educational attainments, overall, of both present and anticipated future members of the American work force simply exacerbate this syndrome of overeducation.

This, however, in no way implies that Americans are too educated, for the broad purposes of education are multiple in number. In addition to the critical function of helping Americans prepare for sustained, effective work performance, both the individual and society derive other important benefits from educational learning. School attendance for the individual may offer opportunity for self-fulfillment; the sheer pleasure of learning, (as President David Fraser of

Swarthmore College observed in his inaugural address; June 1983, "One of the glories of the liberal arts education is the love it creates in its students for learning, for discovery, for knowledge); the satisfaction of accomplishing socially-approved, worthwhile objectives. For society, schooling of the citizenry provides the controlled, structured means for perpetuating and transmitting desired social values to on-coming generations; values which reinforce our democratic lifestyle, as well as help prepare American youth to function effectively in the world of work.

A basic question to be answered regarding the articulation of youth into the economy is "How widespread is overeducation among American workers?" When certain comparisons are made, it is clearly indicated that overeducation is quite extensive, and its incidence is rising. Some germane facts are:

1- Formal schooling has burgeoned during the past quarter century; most particularly at the college/university level. A number of significant developments have contributed to this broadening of educational attainments. These included:

(1) the traditional college age population increased more than 75%.

(2) of this aged 18-24 cohort, the proportion attending college increased more than 50%.

(3) students over 25 years of age, in attendance at college, increased even more.

(4) in college/university total enrollments and degrees conferred, the increase more than doubled the total.

2- In the collective educational achievement of the American work force, these increases were similarly reflected. For example, during the years 1960-1978 alone, those workers with 4 or more years of college rose from less than 10 of each 100 to almost 18 of each 100. This is more than an 82% increase!

3- And because, in general, the educational level of schooling of young workers entering the labor market during this period was higher than that of retiring workers they replaced, this also contributed to the on-going, collective increase in level of schooling completed by members of the work force.

Historical Perspective

The role of occupations (work) in society has been the subject of both speculation and systematic study. Work, and the adjustment to work, appears to be of extreme importance to the functioning of societies, whether primitive; agrarian; industrialized. This appears evident in the fact that all societies maintain themselves through functional skills transmitted from one generation to the next.

"Historically, the meaning of work isreflected by the following four social attitudes:

1. Classical Greco-Roman:
   Labor is manual, never-ending and servile, whereas work, the accomplishment of a time-limited, non-repetitive objective, is honorable.

2. Medieval tradition:
   Work is drudgery, the result of the fall from salvation. (This appears to be incorporated in the current industrial attitude which considers work as intrinsically a meaningless commodity to be bartered for economic sustenance.

3. The Renaissance concept:
   A creative activity offering man the opportunity to alter nature and man. It marks the emergence of craft and creative work as status-making activities in culture.

4. The Calvinistic doctrine:
   A moral imperative nevessary for self-discipline and as a means of reaching salvation.

A more recent concept of work views it as being an activity capable of satisfying psychological needs of a varied nature. In this view we do not only work to live, but we live to work.

Two broad categories of satisfaction derive from work, the intrinsic and the extrinsic. The history of industrialization appears to evidence many changes which have sharply curtailed intrinsic work satisfaction. To cite but a few examples: pride of craftsmanship is virtually

> lost when one turns out standardized products on a machine; mechanization of jobs has eliminated creativity from much of work; the routine of machine-tending cuts down on the social interaction on the job." (Blai, 1964: p.384)

As has been noted, over the years work has meant many different things in different cultures. About a quarter century ago, Patterson (1959; p.155) suggested that:

> "we do not work to live, but we live to work. Work is the natural exercise of the body and mind. It satisfies the basic need for physical and mental activity. And in our society, work satisfies psychological needs of a varied nature - the need for security, for sociability, for status, for self-esteem and the esteem of others, for creativity, among others."

And very recently, Fromme (1982: p.47) offered the following assessment of work:

> "The fact is, work is good for us. It demands activity, concentration, effort. It creates contest and drama and keeps us in a constant relationship with people. Once we quit, it's gone. We have to create it.
>
> So much for the plusses of work. On the minus side are the sheer quantity of work and the subtle changes it makes in our personalities. Without realizing it, we overdo it. It's part of the work ethic of our society. We've been misled to believe that work is not only good for us but ennobling, so that the harder we work, the more righteous we feel. Even the pressures, irritations, and disappointments add to our sense of self-righteousness.
>
> It's too bad we worship this false idol; that we glorify our jobs more than our personal lives."

Additionally - more than twenty-five years ago a study of 4,000 jobs by the U.S.Dept. of Labor revealed that 75% of the jobs required adjustment to relatively small numbers of situations; involved set tolerances or limits; were repetitive, short-cycle jobs performed under specific instructions with measurable criteria of performance. This jobs study indicated:

> "there is little creativity, independence, responsibility, judgement, evaluation or personal interaction involved. Seventy-five percent of the jobs are limited to things or objects, requiring routine, concrete, organized activity, requiring no significant interest in people, ideas, social welfare, or science or technology. They are non-social, carried on in relation to processes, machines and techniques." (Patterson, 1959: pp 156,157).

Changes in demand for educated workers:

Two major factors affect the demand level for educated workers. These are: (1) changes in employment, as reflected in the availability, or opportunity, to work in different kinds of jobs; (2) any changes in the specific educational preparation requirements of existing jobs in the labor market.

With specific reference to college/university graduates, they are most frequently employed in the so-called white collar/service jobs; i.e., professional, technical, managerial, sales, and clerical positions. Over the past 25 years, an average of 92% have been employed in such positions. During this same period, white collar/service jobs increased an annual average of 28.4%. But - the proportion of the American work force having completed 4 or more years of college increased some 82%. This clear imbalance shouts "Overeducation" !

Changes in the second principal facor; i.e. educational preparation requirements, reveals the following:

> "... attempts have been made to measure changes in the educational requirements of occupations. The results of this research suggest that the skill requirements of jobs have not changed appreciably in the last two decades. ....
>
> The result is that the aggregate demand for educated labor, particularly for college graduates, due to changes in the skills requirement of individual jobs, has changed very little over the last 20 years.
>
> Contrasting changes in the supply of educated labor with changes in demand indicate that overeducation in the labor market has recently increased." (Rumberger: 1982; pp 2,3)

As Rumberger further notes, although overeducation appears most prevalent among college graduates, frequently community college and high school graduates work in jobs where their educational credentials are not utilized. When overeducation imbalance among all those who comprise the American work force is examined, it very clearly suggests, in the words of Rumberger that"... overeducation is indeed widespread."

Future Prospects:

Factors which will affect the extent of overeducation among workers in the American labor market include:

1- Demographic projections for youth indicate their population will decline during the next two decades. This, of course, will tend to decrease the number of new college graduates entering the labor force.

2- Increasing numbers of older workers are returning to school. However, retiring older workers continue to be replaced by younger workers with more formal schooling.

3- Therefore, in the aggregate - "even conservative estimates indicate that the educational attainments of the labor force will continue to increase for years to come." (Rumberger: 1981; p.3)

Demand changes among jobs will, of course, reflect future economic growth - or stagnation. Additionally, other pertinent considerations include:

1- "Government projections indicate that the biggest increase in employment will occur in professional, clerical, and service organizations, with three times as many new job openings in the latter two categories than in the former one." (Rumberger: 1981; p.3)

2- Continued technological developments. These will further "fragmentize" and "rountinize" jobs. Widespread application of microelectronics will contribute substantively to this on-going trend to "deskill" jobs. This simply means fewer opportunities for jobs in high skills occupations requiring more education.

Overall, as Rumberger concludes; "overeducation is likely to persist."

Overeducation 'concerns':

There are a variety of reasons why the matter of overeducation has potentially-serious economic implications. These are:

Overeducation can lead to potentially disruptive, adverse consequences

in the world of work. For example, it can 'trigger' serious, widespread job dissatisfaction which expresses itself in such indicative records as absenteeism; grievances; disciplinary actions; production disruptions; worker turnover.

2- The challenging task of seeking to integrate the younger, better educated American, into a job market represented by shrinking skills/knowledge/interest levels is one which increasing numbers of industrial/governmental/business leaders now recognize.

3- There is widespread concern regarding the alarming decrease in productivity, both quantitative and qualitative - as well as other labor problems - which have taken place in recent-past years. In the views of many, these:

> "stem from the increasing numbers of dissatisfied and highly educated workers entering the labor market. ...
>
> Although more educated workers are generally more satisfied with their jobs, research has shown that overeducated workers become more dissatisfied with their jobs. (underlining supplied) ....
>
> Research indicates that individuals whose skills are underutilized in their jobs are more likely to be dissatisfied, have poorer mental health, and exhibit poorer work performance than other individuals." (Rumberger; 1981: p.4)

Possible 'corrective' action:

Overeducation of workers is a potential threat to productivity in the American economy. When productivity falters, profits suffer. No economic enterprise can long remain viable if its 'track record' of profits is poor. To effectively counter this threat, the following actions may be appropriate, on a selective basis:

1- More and more industrial, business, educational and governmental organizations must adopt human relations policies which recognize, and respond, to the more sophisticated demands and expectations of their better educated

manpower resources. Where there are serious discrepencies between the characteristics and qualifications requirements of job, and worker expectations, skills, abilities, and psychological needs, such imbalances can precipitate adverse worker responses, both on and off the job.

2- The private sector of our economy, in response to the overeducated status of the work force, could utilize the following:

(1)- The technical nature of job duties and responsibilities could be job-engineered; i.e. "be redesigned to encompass a greater variety of tasks that wouldrequire a greater variety of job skills." (Rumberger: 1981; p.5)

(2)-Essentially the same results could be achieved through job rotation; i.e., workers rotating/sharing several jobs consisting of differing duties and responsibilities.

(3)- the techniques of 'job enrichment' could be utilized; i.e. expanding job tasks to include some responsibility for planning - as well as performing - the duties and responsibilities of jobs.

(4)- establishing autonomous work groups which provide for the members of the group planning, as well as executing, their jobs.

(5)- establish workers' councils which, on an on-going basis, provide for workers' representatives meeting with management, actively participating in policy deliberations.

(6)- providing, "in the structure of work ...the producer cooperative, where workers both own and control the entire enterprise." (Rumberger: 1981; p.5)

Realistically, these three types of participatory managemnt, (i.e. (4), (5), (6) above), in which workers take on some or all of the decision-making responsibilities, represent substantive changes which private sector management, in

general, approaches with careful caution, for:,

> "Companies wishing to deal with an overeducated workforce are more likely to adopt technical changes than political ones. Technical changes, such as job design, allow a firm to maintai control over the production process, something they consider to be inherently crucial. Our capitalist economy also limits the role that individual workers and unions play in initiating reforms. So responses to overeducation in the private sector will probably be selective and oriented toward the interests of management." (Rumberger; 1981: p.5)

In the public sector of our nation, the impact of policy decisions regarding overeducation could impact upon both the supply; i.e., the number and distribution of educated workers entering the work force, and the demand; i.e.e, the utilization of educated workers throughout the economy. For example:

1- At present, governments at the national, state, and local levels, employ 1 out of 6 American workers. Also - government eploys ahigher percentage of college-educated personnel than does the private sector of the economy. Increasing the total personnel in government would enhance opportunities for employment of college graduates.

2- The government could encourage the growth of producer cooperatives, (worker owned/controlled companies), by means of tax incentives and subsidized loans.

3- "The government could retard replacemant of skilled labor by capital through policies that would act to raise interest rates, thereby increasing the cost of borrowing money for capital expenditures." (Rumberger: 1981; p.5)

4- The supply of college graduates entering the work force could be curtailed by public policy; i.e., increasing tuition and other college costs at public, tax-supported collegiate institutions.

Summary:

Currently, overeducation of workers exists throughout the nation. It is widespread and affects both college graduates and those having less advanced educational credentials. Over the past twenty-five years, the overall educational

preparation of American workers has far outstripped job opportunities among higher skilled professional and managerial occupations.

As a consequence, greater numbers of college/university graduates are able to obtain employment only in jobs requiring less educational preparation than they have to offer. And all indications are that this condition of over-education will persist; primarily because the level of educational accomplishment continues to rise for the American work force while the skills level requirements of jobs remain virtually unchanged.

Overeducation is a very real problem, both for individuals and the community-economy at large. Potentially, it can result in serious consequences, both at the work place and in the personal lives of workers. It also poses a threat to public investment in education. However, few major responses to this undesirable condition presently appear likely.

In all likelihood:

> "the private sector will change the structure of work only to the extent necessary to remain profitable. ....
>
> Government officials and politicians have long been concerned with the problems and consequences of unemployment. The challenge in the future will be to fully employ all the unused talent in this country, underemployed and unemployed, alike." (Rumberger: 1981; p.6)

Permitting overeducation to persist, unchecked, is no more than a very short-sighted, 'osterich-like' policy. A disaffected, educated, (i.e. informed) worker is a potential time-bomb, ticking away ominously. When on-coming generations are being inappropriately educated, either for obsolete or non-existant jobs, the ill-will thus generated when the potential worker discovers these facts can pose a very real threat to healthy productivity. The world of work must resolve the challenge of overeducation within the American labor force. It must develop, and implement, policies and practices designed to fully utilize the education and talents of American workers. If it fails to do so, it faces serious, adverse consequences.

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